EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2126 Moscow, December 7, 1936.

Subject: Soviet View of the Latin American Policy of the United States.

DIVISION OF LATIN AMERICAN AFFAIRS DEPARTMENT OF STATE JAN 12 1937

DIVISION OF EASTERN EUROPEAN AFFAIRS DEC 28 1936 DEPARTMENT OF STATE

ASSISTANT SECRETARY OF STATE JAN 21 1937 MR. MOORE

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The Honorable

The Secretary of State,

Washington, D.C.

ASSISTANT SECRETARY OF STATE JAN 22 1937 MR. WELLES

Sir:

1/ I have the honor to submit herewith an article in translation entitled THE PAN AMERICAN POLICY OF THE U.S.A., which appeared in the Moscow magazine MIROVOE KHOZYAISTVO I MIROVAYA POLITIKA (World Economics and World Politics), No. 5, September, 1936. This magazine is the organ of the Institute of World Economics and World Politics, formerly attached to the Communist Academy and now a part of the Academy of Sciences of the U.S.S.R. The article is written by Mr. V. Romm, the correspondent

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correspondent of the TASS (Telegraph Agency of the Soviet Union) in Washington. The TASS correspondents, as the Department is aware, are full-fledged officials of the Soviet Government. Their reports, consequently, bear many of the aspects of diplomatic despatches, and are relied upon extensively by the Soviet Government for information with respect to foreign affairs.

The following are some of the outstanding points brought out by Mr. Romm:

1. The underlying cause of the recent Chaco War was the struggle between English and American capital.

2. The American "good neighbor" policy and previous amicable gestures of the U.S. toward Latin America have been the result of a search for new tactics of penetration.

3. Roosevelt's new policy is "a clever and deep turn" but "purely tactical."

4. The replacement of Gran San Martin by Mendela, in Cuba, occurred because the former "was not entirely acceptable to the American trusts."

5. Whereas former policy protected even the rights of individual firms, present policy "is directed toward the protection of the Latin American interests of American capitalism <u>as a whole</u>."

6. The application of "more flexible and indirect

indirect forms of domination is the direct result of the customary tendency of American policy wherever possible to disguise its activities by means of democratic phraseology."

7. "We, nevertheless, cannot ignore the strengthening of the prestige of the U.S.A. and the successes achieved by it in South America."

8. "In the past, as well as in the present, America has exploited every international situation in order to extend its positions on the American continents."

9. The choice of Buenos Aires as the seat of the Conference was made with a view to "strengthening American political influence in Argentina, a traditional stronghold of British influence in South America."

10. Previous American peace pacts have not prevented wars; the signing of one more "will not change anything."

11. Previous Pan American conferences have been "screens for dollar diplomacy."

12. The League has been used as a medium for British influence in Latin America. The decline of its popularity has worked in Washington's favor. "The fact that Washington itself does not aspire to any active measures capable of undermining the League of Nations does not alter the situation in substance."

13. The movement for a multilateral statement of the Monroe Doctrine arises in large part from attempts of certain aggressive powers to seek on the American continents "an access to raw materials."

14. While the U.S. continues an isolationist policy and "is not inclined to undertake measures in cooperation with the other countries against the menace of a new world war, ... the true interests of the U.S. do not conflict with the interests of the powers which are in favor of preserving peace." "Roosevelt's policy is not directed against the League of Nations."

15. Roosevelt's New Deal has "in the main" capitulated before the capitalistic monopolies. The dream of the open door at home "has remained a dream"; glances are now directed on the open door abroad. The latter alternative will hardly be more successful.

Respectfully yours,

1 copy 9-m

Loy W. Henderson
Chargé d'Affaires ad interim.

List of enclosures:
No. 1 - Translation of article "The Pan American Policy of the U.S.A.," from the Moscow magazine MIROVOE KHOZYAISTVO I MIROVAYA POLITIKA, No. 5, September, 1936.

710 Latin America
GFK/hla
Original and four copies to the Department.
Two copies to the Legation, Riga.

Enclosure No. 1 to despatch
No. 2126 of December 7, 1936,
from the American Embassy,
Moscow.

(Full Translation)

SOURCE: "MIROVOE KHOZYAISTVO I MIROVAYA POLITIKA", No. 5, Moscow, September, 1936.
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THE PAN-AMERICAN POLICY OF THE U.S.A.

By V. Romm.

Appearing on the historical arena at the end of last century, American imperialism while still in its youth first seized the commanding positions in the Caribbean Sea by taking Cuba and Porto Rico away from Spain (in 1898). Having made Porto Rico one of its colonies, the U.S.A. formally granted Cuba independence, assuring for itself a protectorate by means of the famous Platt Amendment (1901) which reserved for the U.S.A. the right to carry out armed intervention in Cuba at any time. The U.S.A. on several occasions availed itself of the "right" to intervene and to occupy territory.

In 1903, for the purpose of assuring the digging of the Panama Canal, President Theodore Roosevelt grabbed the Panama territories away from Columbia by means of staging an insurrection. The creation of the new vassal republic of Panama followed.

As a result of the use of the entire arsenal of imperialistic

imperialistic methods, ranging from bribery to armed intervention, the countries of Central America and the republics in the Caribbean Sea became actual protectorates of the U.S.A. The methods employed by Theodore Roosevelt for the consolidation of American rule in the Caribbean area were given the name of the "big stick"; those of his successor, Taft (and Knox, the latter's Secretary of State) were given the classic name of "dollar diplomacy". American expansion became still more active under Wilson. In 1915, Haïti was occupied by an armed force for the purpose of assuring the service of loans made by the National City Bank. Santo-Domingo was occupied in 1916. In 1916 the U.S.A. obtained a 99 year option for the construction of a canal in Nicaragua and a lease on the naval bases at both ends of the route of the proposed canal. The latter still remains a project, but the 1916 agreement is still in force.

In the struggle for oil, the U.S.A. intervened by armed force twice in Mexico (1914 and 1916).

In distinction to the countries of Central America which have been the objects of direct intervention, the countries of South America have been the objects of more indirect, but no less effective nor less active methods of expansion. By supporting certain groups against others, by supplying or refusing arms, by supporting or refusing to recognize new governments in accordance with the degree of their acceptability, by loans or financial boycot, by direct and indirect methods of bribery and by exploiting internal contradictions,

dictions, American financial capital and American policy have been furthering economic and financial expansion in South America.

As we know, the struggle between English and American capital in South America has assumed not only the forms of revolution and pronunciamento, but it has also been the underlying cause of a number of wars between the several South American countries (the war in Chaco has been a recent example). The part played in the struggle by the competition between the world oil monopolies, the Standard Oil and the Royal Dutch Shell, is known, and it is further known that the policy of Hughes (formerly Secretary of State and now Presiding Justice of the Supreme Court of the U.S.A.) has received the name of "oil diplomacy".

The methods of rough and ready pressure of the variety open or slightly veiled have however encountered constantly increasing difficulties. Not only in the countries of the Caribbean area, where the U.S.A. has been most openly applying methods of expansion, has the resistance of the masses been growing. Resistance has grown up also in the countries of South America, where every new "action" of the U.S.A. in any one of the Central American countries brings forth among the inhabitants* a strengthening of acute distrust of the "Colosse del Norte" and an apprehension for their own

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* The words "among the inhabitants" are only implied in the Russian text. Translator's Note.

own fate, which, properly speaking, has been made use of by the competitors of the U.S.A.

During the post-War period a national-revolutionary movement has developed in the countries of Central and South America which has united the slogans of the struggle against the military-landlord-bourgeois dictatorship with the slogans of anti-imperialistic character which are chiefly directed against the seizure of the commanding economic positions by foreign capital and against further strengthening of the semi-colonial dependence.

This, again, has created for the U.S.A. increasing difficulties on the path of the traditional methods of "penetration" and has compelled the leading American political and financial circles to search for new tactics. Hoover's "visit of amity" to South America, after he had been elected President in 1928; the agreement with Mexico on the acute question of the nationalization of mineral deposits, concluded by the late Dwight Morrow, the American Ambassador (and simultaneously a Morgan partner) in the same year of 1928, and the recall in 1930 of the Marine Corps detachments of occupation from Nicaragua - all these have been disunited attempts at feeling out new methods. Here, however, as in a number of other instances, it was given to Franklin Roosevelt to shape the new tactics, which he did - in the form of a system of principles which

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have received the name of the "good neighbor" policy.

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On Inauguration Day, March 4, 1933, Roosevelt, referring to foreign policy, stated that in this field it was his desire "to commit the American nation to the policy of the good neighbor - the neighbor who had a definite self-respect and consequently respect for the rights of others; a neighbor who respected his obligations and respected the sanctity of the treaties concluded by him in a world which consisted of neighbors". A number of other speeches made by Roosevelt were intended to give the Latin American countries a more concrete understanding of what the New Deal in American policy was to be. In his speech before the Board of the Pan-American Union, Roosevelt repeated his "good neighbor" formula, and declared that mutual respect for the independence of others was necessary in the mutual relations of all American Republics and that "each of us must grow not by the acquisition of territory at the expense of the neighbors but by developing civilization and public welfare."

In the speech delivered in December of the same year before the meeting of the Wilson Memorial Foundation, Roosevelt, in promising to the American countries to renounce the policy of defending property by armed force, declared that "henceforth the policy of the U.S.A. will be directed against armed interven-

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tion" and added that "the maintenance of order and law in Government is the common affair of the entire Continent on which we are all neighbors". In other words, a concrete promise was made to refrain from armed interference carried out under the pretext of "maintaining order", and so on.

At the Seventh Pan-American Conference at Montevideo, in December, 1933, Secretary of State Hull, referring in his speeches to Roosevelt's statement, said that "under Roosevelt's administration, the Government of the United States has looked with no less disfavor than any other government upon interference with the freedom of action, with sovereignty and with other internal affairs of the governments of the other nations", that "not a single government has any reason to fear intervention on the part of the U.S.A. under Roosevelt's administration", and, lastly, that "the U.S.A. is full of the determination that its policy of the 'New Deal' - enlightened liberalism- shall be consistently carried out and understood by its neighbors".

He declared that "the obligations which have survived from another era" would be liquidated as soon as possible. (Hull had in mind the changes in the form of relations with a number of dependent and semi-dependent countries in the Caribbean area).

A number of concrete measures, directed toward adapting the situation in the Caribbean area to the new tasks, followed one after another. In the spring of 1934 a new treaty was concluded with Cuba which dropped the Platt Amendment, that is, renounced the formal

right

right to intervene and to have a protectorate. In the same year, the Marine detachment of occupation, stationed in Haiti since 1915, was recalled. The negotiations with Panama for a new treaty in lieu of that of 1903 resulted,in March 1936, in the signing of a new agreement, which followed the same course of adaptation to the new conditions and tasks. Apart from the economic concessions, this new treaty, in contrast to the old one which provided for the right of the U.S.A. to intervene at any time on the territory of the Republic of Panama and contained a guarantee by the U.S.A. of the "independence" of Panama, formally put relations on an equal status, and provided for consultation on both sides in case of a threat to the security of the Panamian Republic.*

Parallel with the development of the "good neighbor" policy a more active economic policy was undertaken in relation to the Latin American countries. Of the fourteen treaties thus far concluded under the authority of the Act of 1934, which empowered the President for three years to conclude trade agreements providing for tariff reductions of up to 50 percent on a reciprocal basis, eight have been concluded with countries on the American Continent (Cuba, Canada, Brazil, Haiti, Honduras, Columbia,

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* The question of the security of the territory of Panama should not be confused with that of the security of the Panama Canal Zone which is in the immediate care of the American Government and guarded by the armed forces of the U.S.A.

Columbia, Guatemala, and Nicaragua). A number of measures have gradually been creating the prerequisites for the resumption of the exportation of capital, as, for instance, the agreement with Brazil concerning the gradual "thawing out" and payment of debts to American firms, the agreement with Argentina concerning the lightening of currency restrictions on payment to American firms, and a number of other measures for the renewal of payments by the Latin-American countries.*

The "good neighbor" policy is commencing to bear fruit, both political and economic.

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Roosevelt's new policy is a clever and deep turn, but it is hardly necessary to go to any lengths to prove that it is also a purely tactical turn.

The occupation of Haiti has been discontinued, but to insure payment to the City National Bank, a financial comptroller and the native "Garde d'Haiti", trained by American officers, have been retained. Such a comptroller and such detachments are kept also in San Domingo (where the occupation was discontinued long ago as a result of the 1924 agreement).

Although

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*The Latin American countries have been the sphere, perhaps, of the greatest failures, losses and payment-lapses for American investments: according to Clark, President of the Association of Foreign Security Holders and former Assistant Secretary of State, there are in the U.S.A. 1,214,736,000 dollars worth of Latin American securities on which payment is being withheld.

Although by the revocation of the Platt Amendment the U.S.A. has formally renounced intervention in Cuba, the word of the American Ambassador in Havanna in the changing and appointing of governments is of no less decisive importance than it was before. According to the press, Caffery, the American Ambassador, is guarded no less carefully than Baptiste, the local dictator, for the malcontents apparently regard him as at least no less responsible for the activity of the government, and Gomez, the recently elected President of Cuba, goes to Washington to settle his squabbles with Caffery and Baptiste. Although the practice of exerting pressure by refusing recognition to governments, which was introduced as far back as in Wilson's time, seems to have been abandoned, it was, nevertheless, very resolutely applied in 1934 to Cuba. After the fall of Machado, the agent of the Morgans, in 1933, and the subsequent fall of the unpopular government of Cespedes, the liberal Grau San Martin, who was not entirely acceptable to the American trusts, came to power. The U.S.A. did not recognize him; nevertheless, when as a result of this pressure he was replaced by Mendeta, who was acceptable to Wall Street, recognition followed in literally a few days.

That American policy has had at its disposal sufficient effective means for dominating the vassal and semi-vassal countries in Central America and in

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the Caribbean Sea even since the renunciation of the formal right of intervention, is frankly admitted by the sufficiently serious organs of the American press. "The New York Times" wrote in a leading article in May 1934, as follows: "with or without a treaty, the U.S.A. may intervene in defense of its citizens and their property. Besides, the fact that the U.S.A. has kept the naval base in Guantanamo clearly shows that Cuba is fitting herself into the American plans for the national defense. Guantanamo is connected with the position of the Panama Canal and with the Monroe Doctrine. All this should be clear to the sensible people in Cuba, and their joy over the revocation of the Platt Amendment is mainly of a sentimental character".

That the U.S.A. in fact has never renounced the right of armed intervention in a general sense follows from the authoritative explanation given by Phillips, Assistant Secretary of State, in his Chicago speech of February 15, 1936, when he said that: "never has the Government of the U.S.A. declined to accord protection to the lawful rights of its citizens, as recognized by international law and the treaty. Protection of the lives of citizens should constitute the care of every responsible government, if the authorities in the countries in which the citizens sojourn are manifestly incapable of protecting them".

Phillips

Phillips said this in refutation of the rumors to the effect that "the U.S.A. has pledged itself never and under no circumstances to resort to force" and went on to prove that there had not been any such general renunciation of the application of force. "However", added he, "what we have repudiated is any right whatsoever to pretend that because we are stronger than our neighbors, we may use our force to interfere in the internal affairs of weak nations and thereby violate their sovereign rights. What we have repudiated is the right to introduce an American police force into independent countries when the property of American citizens seemed to be in danger there."

During the consideration of the draft convention "Concerning the Rights and Duties of the States" at the Montevideo Conference, Hull made a reservation concerning Article 8, which provides that "no single State shall have the right to interfere in the internal or foreign affairs of another State". Reiterating that Roosevelt's policy was directed against intervention and was guided by the principles expressed in his speech of March 4, 1933, as well as by the general principles of international law, he added that he reserved expression of opinion on the position of the U.S.A. with respect to the given text until "definitions and intepretations of the fundamental terms touched upon in the report" would be worked out.

Thus, notwithstanding the fact that many liberal

publicists

publicists have used up plenty of ink to prove that "the U.S.A. has repudiated imperialism", and so on, Roosevelt's tactical deviation consists, of course, not in the renunciation of the application of force in general, but in the limitation of its application. If Phillips' above-quoted terminology be reduced to plain words, the difference can only be described as follows: during the days of the "dollar diplomacy" or in Coolidge's time, with its formula that "every American dollar and every American ship abroad must be protected at all costs" , - any large company, in actuality, in case of a misunderstanding about payment of debts or "property rights" could figure in the course of its adventures on obtaining without particular difficulty a warship or a landing of Marines to "restore order"; the "good neighbor" policy, on the other hand, is directed toward the protection of the Latin-American interests of American capitalism as a whole by means of far-sighted and well though-out tactics.

The fact that these new tactics - let us remember that they had been tentatively experimented with way back in the pre-Rooseveltian period- follow the fundamental interests of American capitalism can be seen from the fact that there almost no any attacks are heard any longer from the Republican camp on the "good neighbor" policy, although only two years ago various reactionary personalities (as, for instance Castle, former Assistant Secretary of State under Hoover) tried to assert that

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the "New Deal" had renounced "protection of the national interests", and so on. Now only Hearst occasionally sets up a howl in his press about supposed capitulations, just as he did on the occasion of the treaty with Panama. Hoover, Hearst's Pan-Americanism, as we know, is Pan-Americanism of the 1914-1916 model, of armed intervention in Mexico, in which he played a prominent role.

Lastly, the new tactical line is in conformity with the basic features of American foreign expansion. Rich in resources and capable of using indirect methods of domination on a wide enough scale, American financial capital has been-and is - able to attach more disguised and flexible forms to a number of its direct seizures, without giving them up in substance. We have seen this from the above-mentioned examples of Cuba and Panama. These methods are at present applied to the Philippines (which together with Guam Island were taken away from Spain in 1898) by means of the "Independence" Act.

The application of these more flexible and indirect forms of domination are direct results of the customary tendency of American policy wherever possible to disguise its actions by means of democratic phraseology, of the endeavor to halt the development of national-revolutionary movements, of the isolated and remote strategical location of the U.S.A. and, lastly, of the pressure of the capitalist groups interested in high tariffs on certain products of the American colonies (Philippine sugar).

However,

However, direct forms of domination are maintained unconditionally in certain cases where decisive strategical interests are at stake as in the Panama Canal Zone and Hawaii and vice-versa: strategical weakness sometimes acts as an additional factor in the change to more indirect methods of control, as it has been in the case of the Philippines.

Notwithstanding all the relativity in the change in policy as regards Latin America, we, nevertheless, cannot ignore the strengthening of the prestige of the U.S.A. and the successes achieved by it in South America.

It is in accordance with this same "good neighbor" policy that America policy has been preparing a new big manoeuver by convoking an extraordinary Pan-American "Peace Conference", the significance and tasks of which extend far beyond the usual formal demonstration of Pan-American sentiment or election appeals for the "pacifist" votes.

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The more the U.S.A. strengthens its isolationism in relation to the rest of the world, the farther it departs from participation in the fate of Europe and the more consistently it clings to the policy of watchful waiting in the Far East, the more active its policy becomes on the American continent. This is quite as it should be. First of all, it is the most important sphere of interest of the U.S.A. Second, at the present time, it is the only sphere where foreign political

activity

activity on the part of the U.S.A. does not run any serious foreign political risk; not only does it not threaten in any measure to restrict freedom of actions on the other places d'armes, but, on the contrary, it is capable in the long run of strengthening such freedom of action and of opening up new fields of operation.

In the past, as well as in the present, America has exploited every international situation in order to extend its positions on the American continent. During the World War, before proceeding to take complete advantage of the European war market, the U.S.A. began by taking possession of the South American markets which had become vacant; this was the first stage of the war boom for American financial capital.

Lastly, foreign political activity within the limits of the American continents does not encounter any internal difficulties: the most diverse circles in the U.S.A. have learned to look on the American continent as"their own".

In general, the question of the American continents has been considered beyond the scope of all disputes about "isolation" and "international collaboration", and the most ardent isolationists do not, as a rule, carry their views to a point where they could apply to these continents. The theme of concentration on the American continent has recently become more and more dominant in official and semi-official pronouncements.

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In the foreign political part of his message to Congress,

Congress, on the opening of the Session on January 3, Roosevelt outlined a broad program for the western hemisphere. After drawing a gloomy picture of the situation in the rest of the world, and contrasting it to the peace and the reign of "good neighborly" relations existing on the American continent (happily the three-year war in Chaco between Paraguay and Bolivia ended just in time) "among twenty-one American Republics and their neighbor, Canada", Roosevelt declared that should a new war break out, "the U.S.A. and the rest of America could play only one part - to insure themselves by means of organized neutrality and appropriate preparedness to guard against becoming involved and against attack, and by their example, as well as by all lawful means of assistance and encouragement, to persuade others to resume the path of peace".

The program for joint neutrality of the American countries (a question which the American Government is now introducing in the agenda of the Conference in Buenos Aires) was developed in broad outline as far back as Roosevelt's January message.

On January 30, Roosevelt addressed the Presidents of all American Republics a proposal to convoke "an extraordinary inter-American Conference" in Buenos Aires for the purpose of considering the best method for insuring peace among the American Republics - whether by means of an immediate ratification of the inter-American instruments of peace already existing, by means of modifications of them in the light of past experience; or

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by means of new instruments of peace created by common consent to supplement those already in existence".

"Furthermore", Roosevelt added, "these steps will help the cause of peace throughout the world, for any agreements which may be reached will supplement and reinforce the efforts of the League of Nations and other existing or future organizations of peace in the matter of preventing war".

The address pointed out that the end of the war in the Chaco and the restoration of peace on the South American continent had created a particularly favorable opportunity for consultation concerning the cementing of peace in the western hemisphere, Roosevelt then proceeded with the exchange of opinions on the question of the Conference.

Before formulating its own proposals, the American Government is awaiting answers and proposals from the Latin-American countries. As it was then pointed out by the American press, special efforts are being made to avoid any outward appearance of domination by the U.S.A. in preparing for the Conference. With this in mind, the Committee for drawing up the agenda is being composed on very democratic principles and will include the diplomatic representatives in Washington of all Latin-American countries, with Hull at the head. Lastly, it has been proposed that the Conference be held not in Washington but in one of the Latin-American capitals.

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The choice has fallen on Buenos Aires for obvious reasons: it serves a very definite aim - the further strengthening of American political influence in Argentina, a traditional stronghold of British influence in South America.

All replies without any exception which were later received from the Latin-American countries in Washington (and made public in April) welcome Roosevelt's address and the idea of the Conference. However, a certain divergence may be observed in the answers: the countries in which United States' influence is strong go so far as to propose a separate American League of Nations, Pan-American tribunal, a regional pact among the American nations, and so on (proposals of Guatemala, Columbia and San-Domingo). On the other hand, the countries in which British influence prevails or in which other factors of resistance are strong, emphasize,with reference to Roosevelt's appeal,the necessity of coordinating the peace machinery on the American continents with the League of Nations and with the membership in it of Latin-American countries (for instance, Argentina, Uruguay, Mexico). These countries refrain from any proposals concerning organization and concentrate their attention on the cementing of peace - the ratification and coordination of the existing multi-lateral inter-American treaties and the conclusion of agreements which may serve as an additional guarantee of peace, and finally on the question of economic relations. In her

reply

reply, Mexico particularly stressed the inseparability of fate of the American continents from the rest of the world. The Argentinian reply contains a proposal to apply economic sanctions on the American continents.

On May 2, Hull submitted to the Committee on agenda a preliminary list of proposals from the U.S.A. in which, were included questions of a tariff truce, an improvement in communications (in particular the question of the Pan-American highway), and of the improvement in existing inter-American peace pacts and the conclusion of new pacts. The list likewise contained a proposal to conclude a convention which would be <u>open for all</u> and which would supplement and interpret the existing rules on the <u>rights and duties of belligerent and neutral parties</u> with regard to certain categories of trade. Finally Hull suggested the consideration of steps at the Conference to reformulate more clearly international law as regards the rights and duties of neutrals and belligerents.

Although the final working out of the agenda has not been completed at the time of the writing of this article, the basic lines of the future Conference are already more or less clear. According to the latest reports (TIMES, July 18), the principal proposals under discussion include: the widening and consolidating of the existing instruments of arbitration and conciliation (that is, the question of the means for strengthening peace on the American continent); economic questions (the tariff truce, and so on); the question of neutrality; and the questions of cultural relations.

Questions

Questions concerning the condition of the workers and of civil rights for women will apparently be dropped. The proposals for the creation of an American League of Nations have not been stricken off agenda, but it is expected that by mutual consent they will be pushed into the background together with the disarmament question (advanced by Chile). For reasons which we shall consider below, the idea of an independent American League has been received quite coldly by Washington. The small States which have advanced these proposals have evidently over-reached themselves somewhat.

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As a matter of fact the question of improving the old peace pacts and of the possible concluding of new ones touches on two problems: (1) the strengthening of peace and security on the American continent, and (2) the strengthening of the security of the American continent in general as regards the external world (as we see, the problem of neutrality affects both sides of the problem).

As pertains to the maintenance of peace on the continents, it must be pointed out that hitherto the difficulty has not been in the absence of a sufficient number of multi-lateral peace pacts. On the contrary, it is hardly possible to find as many multi-lateral pacts for arbitration, conciliation, and so on, as in the western hemisphere. Besides the Briand-Kellogg pact, in which all

American

American States, excepting Argentine, Bolivia, Brazil, Salvador and Uruguay, are participants (and which is open for all countries in the world to join), and the Rio-de Janeiro "anti-war pact" (1933), that is, two pacts of a universal character, and,furthermore, a number of bi-lateral agreements, there are three Pan-American pacts: the pact for avoiding and preventing conflicts (the so-called Hondra Pact of 1923), the Convention for Inter-American Arbitration (1929), and the Convention for Inter-American Conciliation Procedure (1929), not all the participants have yet ratified them.*

This abundance of "instruments of peace" on the American continents has not yet prevented the countries of the southern hemisphere from carrying on periodic wars. It is quite clear that the signing of one more solemn pact (in the drawing up of which Latin-American jurists are experts) will not change anything. The question of the stabilization of peace on the American continents leads directly to the problems of sanctions. The question of the application of economic sanctions

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*The Anti-War Pact of 1933, which was proposed by Saavedra Lamas, the Argentine Foreign Minister, included a condemnation of war, some rather hazy principles concerning conciliation and intercessory procedure in conflicts, and other principles concerning assistance by the signatories to the Pact as neutral countries in the preservation of peace by putting into operation all political and economic means "admitted by international law", by mobilizing public opinion, and so on, however, without the application of diplomatic or military intervention. The basic significance of this extremely indefinite and confused document is confined to the fact that it contains a special article maintaining the principle of non-recognition of territorial changes brought about by force, that is, it sanctions the so-called Stimson doctrine.

is still being aired both in Washington and in the South American capitals. The Government of Argentine has submitted an entire project for the preservation of peace which provides for sanctions, and Washington is evidently opposed neither to economic sanctions nor to the introductions of elements of compulsory arbitration. All these problems are, however, regarded with extreme caution and take into primary consideration the internal political situation in the U.S.A. It is difficult therefore to predict at this time to what extent this tendency will find expression at the Conference.

The question of the Pan-American organization itself is far from new. As early as 1889, when the first Conference of the American States assembled in Washington on the initiative of the American Secretary of State, Blaine, such conferences have been held regularly. There have already been seven Pan-American Conferences, besides a number of special conferences on special questions. The Pan-American Union, a permanent organ of these conferences, has headquarters in Washington. However in the past, while utilizing these conferences for show purposes and as screens for "dollar diplomacy", American policy painstakingly avoided binding itself by any definite obligations and regularly limited the functions of the Pan-American Union to second-rate problems. For this reason the activity of the Pan-American Union has not been of a political character - it has engaged in information work, cultural relations, research and exhibitions, not to mention repeated

concerts

concerts of Latin-American music which are very popular in Washington.

Although the convocation of the Extraordinary Pan-American Peace Conference by Roosevelt shows that the U.S.A. is ready to make the mechanism of inter-American relations much more active politically than heretofore, there are, however, no reasons for thinking that at this stage the U.S.A. is inclined to accept any rigid system or to assume too definite obligations or, lastly, to consent to any organizational innovations - the idea of creating a special American League has not found a particularly favorable response. Along with the other tendencies in the development of the Pan-American plans and projects, there is, of course, contained a potential tendency to undermine the ties between American countries and the League of Nations; and under certain conditions this tendency may grow stronger. The severe blows inflicted upon the League of Nations by the politics of the leading European Powers in the Abyssinian and Rhine affairs have found no small response in the countries of Latin America. In the past several Latin-American countries had regarded their membership in the League of Nations as an additional guarantee against the threats of the "Northern Colossus" (the U.S.A.), and the League of Nations apparatus was to a great extent used as a medium of British influence counter-balancing American influence. Now the reduced prestige of the League of Nations and, in contrast, the growing confidence in the U.S.A. and personally in

Roosevelt

Roosevelt founded on his "good neighbor" policy have brought about a shift from Geneva to Washington. The fact that Washington itself does not aspire to any active measures capable of undermining the League of Nations does not alter the situation in substance.

Lastly, confronted by the growing menace of new world conflicts, many countries are thinking of the guarantee of security which they may derive from the military power of the U.S.A. and collaboration therewith.

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At this point we approach another aspect of the question of a possible Pan-American system - the question of "security with regard to other parts of the world", of converting the Monroe doctrine from a unilateral doctrine of the U.S.A. into a multi-lateral, a Pan-American doctrine. This, as a well informed correspondent, Ernest Lindley wrote from Washington in the NEW YORK HERALD TRIBUNE in February, "will serve as notice to the rest of the world not to muddle with the western hemisphere... With the thickening war clouds in Europe, a mutual agreement among the American nations for protection against European or Asiatic aggressions is no less important than a non-aggression pact on the continents, providing measures for assistance against aggression. Without such a multi-lateral Monroe doctrine a situation may arise in the future whereby the U.S.A. may be forced to resort to unilateral action; it is, therefore, considered desirable in these quarters to have a joint policy with Latin America - hands off the

western

western hemisphere".

The prospects of a reinterpretation of the Monroe Doctrine are not lacking in interest. The doctrine, as we know, originated in 1823, when the threat of intervention of the Holy Alliance in the rebellious Spanish colonies in South America was very imminent, and both the U.S.A. and England were interested in resisting it. England even proposed joint action, but the U.S.A. preferred unilateral action; John Quincey Adams, then Secretary of State, thought that by joint action England might attempt to hamper the U.S.A. with respect to future territorial acquisitions, and to bind it by a principle that might later prove disadvantageous.

In his message to Congress in December, 1823, President Monroe stated his doctrine which was at that time squarely aimed not only against the threat of intervention in South America but also against the advance of Tsarist Russia from Alaska to the South, to California; the words of the doctrine stated that "the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers...", and that the U.S.A. will consider "any attempt on their part (on the part of the European allied powers. - V. R.) to extend their system to any portion of this hemisphere as dangerous to our peace and safety".

Thus having originated as a purely defensive doctrine against the threatened attacks by European monarchies on the American continent, the Monroe doctrine continued

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during the course of the nineteenth century to be interpreted in the main in this way, and even if at times it wad made use of as an ideological basis for conquests by the U.S.A. (the conquest of Texas, New Mexico, California), its interpretation had yet not been subjected to such dizzy modifications as it began to undergo in the following epoch.

In the epoch of imperialism the interpretation of the Monroe doctrine was suddenly broadened; it was as a basis for interference in the conflicts between the European Powers and the Latin-American countries when they affected the interests of the U.S.A. (in 1895, President Cleveland compelled England to yield in the border conflict with Venezuela and to consent to arbitration; in 1902, President Roosevelt compelled England, Italy and Germany to lift the blockade of Venezuela which they had started for the purpose of collecting debts); armed interventions, the exacting of debts by force, the establishment of financial control of the U.S.A. over the other Powers, and so on, were founded on it. In his message to Congress (of December 6), Theodore Roosevelt formulated the principles which later received the name of the "Roosevelt Corollary" to the Monroe doctrine, stating as follows:

"Any country, the population of which behaves in an orderly manner, may fully rely on our hearty friendship. If any nation shows that it can act reasonably and decently in social and political matters, and if it maintains order and meets its obligations, it need

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have no fear of intervention on the part of the U.S.A. Chronic misconduct or impotence which lead to the general weakening of the bonds of civilized society after all necessitate intervention by some civilized nation, and in the western hemisphere, the U.S.A., insofar as it adheres to the Monroe doctrine, may be forced, though reluctantly, to exercise international police power in flagrant cases of such nuis conduct or impotence".

In the epoch of "dollar diplomacy" of Taft and Knox and again under Wilson, the Monroe doctrine was used even as the basis for struggle against the economic penetration of the other Powers into America and against the granting of concessions to anyone except the U.S.A.

The transformation of the Monroe doctrine into a basis for violent actions of American imperialism and into a juridical basis for any intervention of the U.S.A. in the other countries of the American continents, of course, did not contribute to the popularity of the United States in Latin America, where it was regarded with growing anxiety. It is characteristic that certain Latin-American countries went so far as to protest against the inclusion of the doctrine into the League of Nations Covenant, which was done to please Wilson.*

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*Article 21 provides that nothing in this pact shall contradict the regional pacts like the Monroe doctrine, curiously labelling as a regional pact something which has never been anything but a unilateral act of the U.S.A.

In recent years the most authoritative American jurists have as a matter of fact reached the conclusion that the Monroe doctrine has in general nothing to do with inter-American relations, and is unnecessary for such relations. Very characteristic in this respect is the official memorandum which was, by commission of the Government, made up in 1928 by Assistant State Secretary J. Ruben Clark, and which denounced the "Roosevelt Corollary" and stated that the doctrine had no bearing on inter-American relations, but referred exclusively to the mutual relations between the U.S.A. and Europe and served in the course of a nundred years as "a shield between Europe and Latin America for the protection of the latter against political and territorial threats of Europe". According to Clark, the right to intervene does not follow from the Monroe doctrine, although it may be justified by "the self-preservation doctrine".

A number of writers are inclined to think that there exist not one but two distinct doctrines, that is, the Monroe Doctrine proper and another, the "Caribbean doctrine". "The first is directed toward the non-admission of European imperialism into America, the other toward the establishment of American dominion* in the waters

forming

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*Suffice it to look at the map, to realize how the gradual seizure of the strategic positions in the Caribbean Sea, beginning with the taking away of Cuba and Porto Rico from Spain in 1898 and ending with the purchase of the Virgin Islands from Denmark in 1917, has turned this Sea into an internal sea of the U.S.A.: the American naval bases of Key West (Fla.), Guantanamo (Cuba), San Juan(Porto Rico), the Panama Canal Zone, Saint Thomas and the potential base in Samana Bay (Santo Domingo), Mol St. Nicolas (Haiti) and Corn Islands (Nicaragua) dominate this area.

forming the approaches to the Panama Canal". (Frank Simonds, THE PRICE OF PEACE).

Even Hughes himself (the present Chief Justice of the Supreme Court and former Secretary of State) wrote as far back as in 1923 (in THE AMERICAN JOURNAL OF INTERNATIONAL LAW) that the Monroe Doctrine expressed merely "the principle of resistance to actions on the part of the non-American Powers", that it was "an expression of the policy of self-defense", and that "the solution of the question as to what actions the U.S.A. should take under any situation which may arise in this hemisphere, is not determined by the Monroe Doctrine, but may always be determined on the basis of international law and national security just as freely as if the Monroe Doctrine had never existed".

In other words, long before the present plans for a periodic "reinterpretation" of the doctrine, its odium in the eyes of Latin America, the realization of the necessity of a certain variation in methods and, in contrast, the realization that one could get along well without resorting to this solemn document led to a considerable limitation of its application. The conversion of this document in one form or another into a multi-lateral one will, thereby, not signify any sacrifice, even of words, on the part of the U.S.A.; on the contrary, the traditional hatred for the doctrine on the part of the Latin-American countries would be

removed

removed, and the estimable act which has in the course of more than a century seen service enough, presented "by the master" to future Pan-America may still do a service as an ideological basis in gathering the western hemisphere under the aegis of the U.S.A. by the new methods of "the good neighbor policy".*

Guatemala's proposals to the Conference contain a formula voicing these moods very precisely in proposing the plan of "a pact for mutual collaboration and solidarity of the American nations", it included therein a special clause which declared that "any aggression against one of the American nations is a menace to the whole continent; and all are, therefore, obliged to put into motion all their resources in the defense of the law". Likewise, it is curious to note certain preliminary data on Brazil's plans: to propose at the Conference the publication of a joint declaration to the rest of the world that henceforth the countries on the American continent are developed countries, and that the American continent cannot serve as an outlet for other parts of the world in any respect (i.e. as regards immigration and so forth).

All this is by no means a mere gesture, manoeuver or phrase. The affairs and appetites of aggressive

states

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*In the above-quoted speech of April 12, 1933, Roosevelt gave a hint that the question would be raised in this form, by declaring that the Monroe Doctrine was a "Pan-American doctrine of continental self-defense", and that it was, and will remain, directed against the acquisition of control by any methods over additional territory in this hemisphere by the non-American Powers".

states, which strive toward unleashing the world war, are arousing increasing apprehensions, especially as some of them have been strengthening their activity on the American continent (commercial expansion of Germany and Japan; increase of Japanese immigration in South America which has already led up to prohibitive measures on the part of Brazil).

And we must say that there are real apprehensions in the leading quarters in Washington that in this perspective there are not excluded attempts of certain aggressive Powers to seek on the American continents "an access to the raw materials" or "a redistribution of the raw materials", and so forth. Therein lies in considerable measure the actual content of the discussions regarding the multi-lateral character of the Monroe Doctrine and "the continental defense".

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As we have seen, the United States has raised the question of joint neutrality which not only is closely associated with the above-outlined problems, but which also embraces a number of other problems.

In January, 1936, in defending the Administration's bill on the neutrality question before the Senate Committee on Foreign Affairs, Hull painstakingly explained his position to the valiant defenders of the fundamental freedom of the seas (Johnson, Borah and the others) as well as to the equally valiant isolationists of another

color

color - the Middle-Western advocates of preventing the entanglement of the U.S.A. at any price, even to the extent of suspending all foreign trade in the time of "foreign" wars, Hull stated that it was impossible to occupy a too rigid and extreme position on either side, for the danger might arise that "certain states would receive the wrong impression that we would not fight under any circumstances, and we do not want to run the risk of having unbearable pressure exerted upon us as the result of these wrong impressions".

Stressing in his explanations that it was a very difficult question, Hull stated as follows: "The American Government intends to propose at its earliest opportunity to the other nations to begin the revision and re-formulation and the revival and restoration of the rights of neutral countries to the extent to which they existed prior to the war and as far as it will be deemed possible, in the light of the experiences of the war".

Hull further explained that it was especially desirable to restore the pre-war distinctions between contraband and non-contraband, and at the same time warned that in the future neutral rights could not be protected by means of paper alone. "Although we are not in favor of an excessive navy", said he, "we should have sufficient force to insure the respect of other nations for us".

All this had already been said when the Hoare-Laval action in the Abyssinian matter and the con-

sequent weakening of the League of Nations dealt a painful blow to the previous policy of the American Government - the policy of actually supporting anti-Italian sanctions within the framework of the formally-isolationist law on neutrality, which provides for equal application of measures to all belligerents. The strengthening of isolationism in the country and Congress by that time had already forced the abandonment of the demand for more flexible powers for the President (that is, powers that would permit him to use his discretion in taking measures in respect of all belligerents). The well organized groups of partizans of taking unlimited commercial advantage of any military situation, of adherents of freedom of the seas and opponents of all international collaboration for the maintenance of peace, by availing themselves of these circumstances, were able to gain their point. As a result not a single one of the principles, which, according to the intent of the Government bill of January 3, should have provided an opportunity for limiting exportation of military raw materials and for depriving the trade with belligerents of protection, was included in the Neutrality Act which was prolonged in February.

Under these conditions the scheme for strengthening the freedom of the seas contained in Hull's statements is natural. However, while the Roosevelt Administration was going far to support the anti-Italian sanctions, it did not bind its freedom of action for the future.

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We may recall that even at the time of the closest approach of the U.S.A. to the positions of international collaboration against war (Roosevelt's message to the heads of all States in May 1933, and the statement made at the same time by Norman Davis in Geneva concerning the readiness to participate in the consultation and eventually to refrain from everything that might hamper measures against the aggressor) there was shown a willingness only for very limited obligations which would leave the U.S.A. the liberty to decide in each case.

While striving for legislation which would not deprive it of the opportunity to support international measures against an aggressor, Roosevelt's Administration never displayed any tendency toward assuming any obligations entailing the assumption of a predominating position in any given case.

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The plans for strengthening inter-American peace machinery by measures including economic sanctions*

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*The Argentine project (THE NEW YORK TIMES, April 16), for instance, has advanced the idea of creating an inter-national police force, conciliation commissions with the right to compulsory measures, compulsory arbitration, non-recognition of seizures, economic sanctions against violator of the Kellogg Pact or the "anti-war pact", eventual collabo tion with the League of Nations or "parallel measures" on the part of non-members of the League, and so on.

Brazil, Costa Rica, Paraguay and Guatemala are at present not in the League; while Argentine, Bolivia, Brazil, Salvador and Uruguay are not signatories to the Kelogg Pact, Brazil being about to ratify it.

and the plans for strengthening joint neutrality and the idea of general "security" with respect to the outer world not only show a tendency toward isolation on a "Pan-American scale" and toward the creation of a new system, contrasting somewhat in principle with the League of Nations, insofar as the juridical basis of the latter excludes all neutrality, but also contain elements of a roundabout approach to international collaboration. The strengthening of the machinery for preserving peace within the framework of the continent could not but help influencing public opinion in the U.S.A. by "pedagogically" softening isolationist feelings.

But be that as it may, the question as to whether American regionalism will inevitably come into collision with the system of the (possibly reorganized) League of Nations must under no condition be answered in the affirmative.

The Republicsn NEW YORK HERALD TRIBUNE, which, incidentally, at first treated the forthcoming conference very pessimistically, seeing in it, first of all, a common election "trick" of the Party in power, however, as far back as May 21, 1936, declared editorially as follows:

".....By the course of events the conference has been turned into a possible starting point for a significant international reorganization. By the course of events it has been postponed, and now instead of meeting in September, when it would have been in great

measure

measure a decorative addition to the advertising campaign of the Democratic Party, it will meet at the end of the year*, when it will be possible to accomplish worthwhile tasks irrespective of whatever Party is in power. The conference will hardly result in the creation of a highly developed American League of Nations coupled with a final solution of all problems of mutual relations with Europe. There is, however, a growing conviction that the best way out of the impasse into which the League of Nations has come lies in the way of regional systems rather than a universal organization. This conference will undoubtedly raise a number of problems which were not studied in the course of the years when the League was the official basis of international relations; and it will do no harm for the American Powers to hold their conference while Europe is exerting every effort to repair the damages inflicted on the League of Nations system".

As pertains to the idea of creating a separate American League of Nations, there are three chief reasons for making such an orientation in Washington extremely improbable, in any case during the immediate future.

1. In general the policy of Roosevelt's Administra-

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*According to the latest reports, the conference in Buenos Aires will be held not earlier than at the end of November, that is, after the Presidential and other elections. In the most widely separated circles this fact is considered as still another sign of the seriousness of the enterprise.

tion, of course, continues to follow along the line of isolation and watchful waiting, and is not, in any case, inclined to undertake measures in cooperation with the other countries against the menace of a new world war. But the true interests of the U.S.A. do not conflict with the interests of the Powers which are in favor of preserving peace. In his message to Congress in January, Roosevelt left no doubt as to where he believed hotbeds of the danger war to exist, when he hinted clearly enough, although not naming them, at Japan, Germany and Italy. In any case Roosevelt's policy is not directed against the League of Nations.

The pace of the circuitous approach of the U.S.A. to activity on the world arena and to collaboration will be determined not only by internal developments in the U.S.A. or "Pan-America" but also by a number of external factors and most of all by the policy of the other world Powers. As it has been observed in recent times, every new fact of undermining collective security in the rest of the world has served as an impulse to strengthen isolationism in the U.S.A. The development in a direction different than that hitherto followed would have had the opposite effect in the U.S.A., no matter how deeply pessimistic American public opinion may now be in considering the inevitability of a new war.

Comrade Litvinov was very right when he said in a speech before the Plenum of the League of Nations on July 1, that "we see by the example of the U.S.A. that

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by applying Article 16, we may sometimes also count on the collaboration of non-members of the League, and count the more surely the more energetically the League itself acts".

2. The participation of the Latin-American countries in the League of Nations furnishes the U.S.A. with a number of additional channels for exerting influence through them on a number questions which are of interest to American policy. The interest in preserving these opportunities is a counter-balance against the forcing of a separate American League.

3. Lastly, the traditional lack of desire of American policy to bind itself by any too rigid and definite obligations has been the strongest restraining factor on the path toward the creation of new more definite organizational forms of the Pan-American system. We have seen elsewhere how stubbornly John Quincey Adams had insisted on the unilateral character of the act which later assumed the form of the Monroe Doctrine, fearing that joint action with England might bind the U.S.A. for the future with regard to its own expansion. This tradition is determined; first of all, by the particularly advantageous, isolated, and secure geographical and strategical position of the U.S.A. which enables it to wait and manoeuver in a greater measure than any other Power. Not without reason do a number of writers continue to point out that with regard to the rest of the world the U.S.A. now has

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in this respect the advantages of invulnerability and unattainability which England had in the past with regard to the European continent.

A Power which thinks that it will under any condition have sufficient time and opportunities to orient itself, to wait and to make decisions afterwards, has no special incentives in securing in advance the promises of others or to assume in advance binding obligations. Even in cases when American diplomacy succeeded in attaining the creation of international instruments of its own, it was striving at the same time not to bind its own freedom of actions in any measure. Thus, the Kellogg Pact, which was conceived as a world-wide instrument of American policy and independent from the League of Nations and capable of being eventually set off against the latter, has been reduced to a purely declaratory document owing to the same tendency not bind its hands. Furthermore the U.S.A. resorted to the Kellogg Pact when it was desirable, and avoided applying it in a number of other instances. But it is characteristic that even when (as in the instance of the Abyssinian conflict) American diplomacy avoids putting the Kellogg Pact into effect, it endeavors at the same time, as it is seen from a number of documents and statements, to preserve the opportunity for applying it in the future.

The Pan-American Conference in Buenos Aires may lay a foundation from which something like an American League come out in the future. At this stage it cannot go beyond the laying of such a foundation.

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The question, delicate in many respects, of the role of Canada in the Pan-American plans and projects is a special one. Canada is a component part of the British Empire and a member of the League of Nations. It is simultaneously very strongly bound economically to the U.S.A. The American investments in Canada are almost double those of England . American economic, political and cultural influence is growing. The decisions of the Ottawa Conference and the series of measures undertaken in carrying out these decisions could only retard the process, but could not stop it. Canada resorts more and more to the American money market for loans, and the American-Canadian commercial agreement of November has dealt a painful blow to the Ottawa Conference, for by reducing the tariff rates on a number of American goods it brings nearer the prices of the latter to those of English goods imported on the preferential rates.

Canada continues to play the role of a special American economic wedge in the economy of the British Empire. A considerable part of American capital in Canada is invested in industrial enterprises - branches of American enterprises - which have an opportunity to export their production as Canadian to the other parts of the British Empire on preferential tariff rates.

Lastly, the aggravation of the international situation, particularly in the Pacific Ocean, compels Canadian political circles to rely more and more on the American

navy

navy for the safety of Canada.

To a considerable degree the fact that Canada has already been half conquered in a peaceful manner and continues painlessly to draw deeper and deeper within the orbit of U.S.A. influence, has caused the U.S.A. to be entirely disinterested in aggravating the relations with England on the question of Canada, in particular in the conditions of the certain rapproachment with England in the Far-Eastern and the naval questions.

The great care with which American diplomatic efforts approach all attempts to force the inclusion of Canada into the Pan-American system is quite natural. Thus, at the Conference in Montevideo the proposal of several South American countries to invite Canada was put under the cloth due to the efforts of the U.S.A. delegation itself.

At the same time, observing care, American diplomats do not miss any chances to consolidate and to demonstrate the American-Canadian friendship and to cement its influence in Canada. Roosevelt's visit to the Governor-General of Canada was exactly a gesture of this sort.

It is, of course, understood in Washington that the Pan-American neutrality will be incomplete, unless Canada participates in it, but in this question too they are not inclined to force what is regarded as inevitable. The organizational question might come up in the immediate future only in the event that Canada herself should ask to be admitted to the Pan-American system.

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Behind

Behind all the vacillations of the pendulum of American policy between isolationism and the approach to international collaboration, we cannot help seeing a certain constant tendency in the U.S.A. not to bind its hands, and to assure for itself maximum freedom to wait with regard to the development of conflicts among "others" and maximum freedom of decision to intervene and to choose the time and place for such intervention, on the basis of its secure strategic position and relative economic independence. This leads at last to the real content of the question of so-called neutrality.

One cannot avoid seeing the connection between American naval and air armaments and this problem. These cannot be considered merely as preparatory steps in the revival of the Far-Eastern policy of the U.S.A., although this is their direct and most urgent aim. They must in addition furnish the U.S.A. with an opportunity in future conflicts of "others" to assure respect for those "neutral rights" upon which it will choose to insist and which to a certain extent it will deem necessary to defend. Having once burned its finger painfully with the illusion that since it has the money it could get along without a navy, American capitalism does not want to take any more chances, and is endeavoring to make up for its backwardness in the sphere of naval armaments at an accelerated pace.

No matter what form the plans for joint Pan-

American

American neutrality will assume ultimately,* the political content of these plans lies in tying the policy of all States on the American continents to the policy of the U.S.A. thereby creating an additional point of support for the policy of the U.S.A. in the future international conflicts.

One of the writers in TODAY (November, 1935), preaching an economic bloc of the American continent and an independent policy which "would not grant England in advance rights to avail herself of American resources", states as follows:

"Whether you like it or not... the power of the American States will be utilized on the world arena, and if we ourselves do not want to assume the responsibility for this power by bringing about regional economic internationalism in the western hemisphere, another power will take advantage of our resources in its own

political

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* Adoption by other countries of the American continents of American legislation concerning neutrality, that is, prohibition to export arms and equipment to belligerent countries, prohibition of loans and credits to belligerents, the practice of warning by the State that commerce with belligerents will be at the risk of those trading, and so on. On the other hand, an attempt is possible on Hull's part to include into the agreement with the other American countries the rules which it was not possible to put through Congress on the limitation of exports of certain raw materials to belligerent countries to peace time quotas. It is very possible that a declaration will be adopted reviving to a considerable degree the Hague Convention of 1907 with special emphasis on the rights of neutral countries to trade with one another. The inclusion into the American law of a special article concerning neutrality exempting from its action American republics at war with non-American countries has already provided a basis for joint neutrality.

political interests in the Old World".

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During the World War of 1914-1918, American capitalism found itself in such a position that its economic ties with the group headed by England, the Power which ruled the seas, predetermined its unconditional entrance into the war after a certain delay on the side of this group in order to save its capital. American imperialism will hardly consent to take this or that side by "gravitation" without making conditions in advance. That does not mean that it will go against England. On the contrary, a certain line of collaboration with England is probable during the next stage. But this time American imperialism has an opportunity to make its terms, and in the final analysis all plans for neutrality must create conditions for a much better organized and centralized policy than there was during the last World War.

At the dawn of American imperialism, Alexander Hamilton, the real leader of the Federalists, wrote (in 1790): "It is necessary to create out of the American continent a great American system which would be inaccessible to the influence of anyone from other coast of the Atlantic Ocean and capable of dictating the terms of the relations between the Old and the New World".

Perhaps, the question today is no different; only now it is not a matter of the Atlantic alone but also

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of other oceans.

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It is not accidental that the revival of Pan-Americanism in the policy of the U.S.A. is taking place at a time when attempts to find a way out of the contradictions of the economic crisis and the special type of depression on the basis of increasing the internal market, are coming to a close. Roosevelt will evidently be re-elected, but his New Deal, having run up against the s tone wall of interests of the capitalistic monopolies has in the main capitulated before the latter. The dream of opening "the door at home" instead of looking for "an open door" outside (Charles Beard) has remained a dream.

The Pan-American plans mark the beginning of the search for an outlet in the economic expansion outside the U.S.A. Pressure of immense surplus capital is growing just as is the disuse of industry, notwithstanding the improvement in economic conditions. But before completing the circle and taking an opposite position, isolationism in the U.S.A. evidently has to try to rise to a stage of isolationism on a Pan-American scale.

Hardly will the attempt of American capitalism to close itself within the framework of the western hemisphere be able to settle its difficulties to any greater degree than the previous attempt to find an outlet on the internal market alone. It is true that the American

continent

continent is the most important field of foreign interests of the U.S.A., but the competitors and rivals whom American capitalism encounters here are, after all, the same who are acting in the other fields. Besides, the economic systems of a considerable number of South American countries does not compliment but compete with the U.S.A. on the world market.

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